



Benjamin Benson, Esq.
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March 24, 2025

VIA FEDERAL EXPRESS AND E-MAIL (salim.makhlouf@gmail.com)

Salim Michel Makhlouf
Lotus & The Rooster Holdings Company
251 S. Pitt Street
Carlisle, PA 17013

**Re: NOTICE OF DEFAULT
Franchise Agreement Between Koala Insulation Franchisor, LLC
And Lotus & The Rooster Holdings Company, Dated October 11, 2023**

Dear Mr. Makhlouf:

This letter shall serve as Franchisor Koala Insulation Franchisor, LLC ("Franchisor") formal notice to Franchisee Lotus & The Rooster Holdings Company ("Franchisee") that Franchisee is in default of the subject Franchise Agreement for: 1) failure to pay required royalties for the past two (2) months in the amount of \$19,528.16 in violation of Section 4.2 of the Franchise Agreement; and 2) failure to provide Franchisor with the required weekly sales reports for the weeks of 1/7/25; 1/28/25; 2/11/25; 2/18/25; 2/25/25; 3/4/25; 3/11/25; and 3/18/25 in violation of Section 4.2.1 of the Franchise Agreement.

Pursuant to Section 13.3 of the Franchise Agreement, Franchisor hereby demands that Franchisee cure the subject defaults by paying Franchisor the outstanding amount of \$19,528.16 in unpaid royalties and providing Franchisor with the above-mentioned unfilled weekly sales reports within five (5) days of your receipt of this Notice. If you fail to cure the subject defaults of the Franchise Agreement within the prescribed 5-day period, Franchisor reserves all its rights and available remedies under the Franchise Agreement and the law. This includes, but is not limited to, immediately terminating the Franchise Agreement and taking all necessary legal action to collect all outstanding monies owed to Franchisor under the Franchise Agreement, including unpaid royalties, lost profits and liquidated damages.

Please be guided accordingly. Thank you for your time and immediate attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ben Benson", with a long horizontal flourish extending to the right.

Benjamin Benson
Senior Associate General Counsel

cc: Cory Lyons, Brand President
Sanjay Malhotra, Esq., General Counsel
Doug Luther, Esq. (via e-mail)